

REMARKS

Claims 1-17 remain in this application. Claims 1 and 9 have been amended. By these amendments, no new matter has been added.

The Examiner rejected Claims 1-17 under 35 U.S.C. § 102(e) as anticipated by Johnson, and Claims 7 and 16 under 35 U.S.C. § 103(a) as unpatentable over Johnson and "Official Notice." Therse rejections are respectfully traversed. All of the pending independent claims (i.e., Claims 1 and 9) have been amended to more particularly point out and distinctly claim the invention. Applicants respectfully submit that Johnson poses no bar to patentability of Claims 1-17, as explained below.

The present invention is fundamentally distinct from property management systems such as disclosed by Johnson, in that the present invention is intended to management ownership of digital objects that "are entirely digital in nature and that have no value outside of the digital environment in which they exist." (Appl., p. 3, lines 15-16.) Examples of such digital objects may include digital copies of books, movies, music, computer games and components thereof, and so forth, that are intended for use in a digital medium. One of the unique aspects of the invention concerns management of the digital information itself, while permitting owners beneficial use of the owned items without possession of digital copies of the owned information. In contrast, Johnson discloses a system for managing property as "virtual items" that "*may represent tangible or intangible objects and privileges.*" (Col. 6, lines 24-27, emphasis added.) In other words, Johnson discloses a system for tracking ownership of various objects, without maintaining an inventory of the objects themselves. (See col. 6, lines 39-34.) This fundamental difference underlies various other differences between the present invention and Johnson.

For example, Johnson criticizes prior art systems that manage digital representations of property using a centralized database. (Col. 1, lines 59-66.) Instead, Johnson discloses that "[u]nlike centralized systems, the virtual items 205 are stored at

owner 102 and broker 105 systems." (Col. 6, lines 30-32.) Johnson discloses an elaborate system using authenticator processes and digests (defining "digest" as "a compressed representation of virtual property") for authentication of ownership in exchanges between owners, with or without a broker intermediary. (Col. 2, line 2 – col. 3, line 46.)

Johnson fails to disclose or to suggest using a centralized server to maintain an inventory of virtual property, as defined by Claims 1 and 9. In fact, Johnson teaches away from the use of centralized servers as requiring too much storage. (See, e.g., col. 6, lines 32-34.) In addition, Johnson fails to disclose or to suggest allowing use but not possession of digital copies of the digital property, as further defined by Claims 2 and 9. To the contrary, Johnson is directed towards an opposite purpose, that of permitting the direct exchange of virtual items between owner computers, while merely acting as an authenticator of such transactions. For example, describing an embodiment for the exchange of digital trading cards, Johnson discloses transferring the virtual cards between the owner computers. (Col. 19, lines 10-41.) Apparently, nothing would prevent an owner receiving such a card from making an unauthorized copy and distributing it independently of the authorization system.

In summary, Johnson presents no bar to patentability of the invention, failing to disclose or to suggest:

maintaining an inventory of said virtual properties in a centralized database accessible by a user via a network connection;

managing ownership of said virtual properties in said centralized database; and

allowing use but not possession of digital copies of said virtual properties by corresponding property owners within corresponding network spaces,

as defined by Claims 2 and 9. The remaining claims are also allowable, at least as depending from allowable base claims.

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In view of the foregoing, the Applicant respectfully submits that Claims 1-17 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited. If it would be helpful to placing this application in condition for allowance, the Applicant encourages the Examiner to contact the undersigned counsel and conduct a telephonic interview.

To the extent necessary, Applicant petitions the Commissioner for a one-month extension of time, extending to November 16, 2004, the period for response to the Office Action dated July 16, 2004. The Commissioner is authorized to charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-0639.

Respectfully submitted,



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